

Message Text

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ACTION OES-04

INFO OCT-01 ARA-06 EUR-12 IO-10 ISO-00 ERDA-05 ACDA-05

CIAE-00 INR-07 L-02 NSAE-00 NSC-05 FEAE-00 PM-03

DODE-00 SS-15 ERDE-00 SP-02 MC-02 EB-07 COME-00 /086 W

----- 115264

P R 201631Z FEB 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 8141

INFO AMEMBASSY BRASILIA

USMISSION IAEA VIENNA

C O N F I D E N T I A L SECTION 01 OF 02 BONN 02897

E. O. 11652: XGDS1

TAGS: TECH, GW, BR

SUBJECT: FRG SALE OF NUCLEAR TECHNOLOGY TO BRAZIL

REF: A. BRASILIA 1142, B. BONN 00332

1. SUMMARY. HERMES, DIRECTOR, FRG FOREIGN OFFICE ECONOMIC DEPARTMENT, CALLED IN THE AMBASSADOR ON FEBRUARY 19 TO DISCUSS STATUS OF FRG NEGOTIATIONS WITH BRAZIL ABOUT THE SAFEGUARDED SALE OF NUCLEAR TECHNOLOGY. HERMES PROVIDED CONFIDENTIAL "NON-PAPER" LISTING SAFEGUARDS BRAZILIAN DELEGATION HAD PROVISIONALLY ACCEPTED WHICH, IN FRG VIEW, EXCEED THE REQUIREMENTS OF ARTICLE III OF NPT. THESE PROVISIONAL SAFEGUARDS REQUIREMENTS WILL NOW BE SUBMITTED TO FRG CABINET AND, IF APPROVED, WILL SERVE AS PRECONDITIONS FOR COMMERCIAL AGREEMENT. HERMES NOTED CONFIDENTIAL CONSULTATIONS BETWEEN US AND FRG TOWARD COMMON NUCLEAR EXPORT POLICY. FRG DID NOT WISH TO TAKE UNILATERAL ACTION. HOWEVER, HE CAUTIONED, IT WOULD NOT BE POSSIBLE TO WAIT TOO LONG. BOTH GERMAN INDUSTRIES AND BRAZIL WERE VERY INTERESTED IN REACHING A DECISION SOON. AN INFORMAL TRANSLATION OF FRG "NON-PAPER" FOLLOWS IN PARA 5. END SUMMARY.

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2. HERMES OPENED THE DISCUSSION BY RECALLING THAT FRG WAS TALKING TO BRAZIL ABOUT NUCLEAR COOPERATION. THESE NEGOTIATIONS RAISED THE QUESTION OF THE SAFEGUARDS REQUIRED FOR A NON-NPT NATION. THE US AND FRG HAD OFTEN DISCUSSED NUCLEAR EXPORT CONTROL POLICY ON CONFIDENTIAL BASIS. IN THIS CONTEXT, HE WISHED TO BRIEF THE AMBASSADOR ABOUT RECENT FRG-GOB NEGOTIATIONS ON SAFEGUARDS FOR GERMAN NUCLEAR EXPORTS TO BRAZIL.

3. A BRAZILIAN DELEGATION, LED BY NOGUEIRA BATISTA, PRESIDENT OF NUCLEBRAS, VISITED THE FRG FROM FEBRUARY 5-12. THE DELEGATION HAD PROVISIONALLY ACCEPTED CERTAIN SAFEGUARDS. HERMES PRESENTED A CONFIDENTIAL "NON-PAPER" (TRANSLATED IN PARA5, BELOW). THESE MEASURES, WHICH WOULD BE A PRECONDITION FOR COMMERCIAL SALES OF GERMAN NUCLEAR TECHNOLOGY TO BRAZIL, WOULD NOW BE SUBMITTED TO THE FRG CABINET FOR APPROVAL. HERMES BELIEVED THAT THE PROVISIONS WERE SATISFACTORY AND THAT IT WOULD NOT BE POSSIBLE TO NEGOTIATE MORE RESTRICTIVE MEASURES WITH BRAZIL, A NON-PARTY TO THE NPT. HE DID NOT KNOW, HOWEVER, WHETHER THE FRG CABINET WOULD APPROVE. AN AGREEMENT BETWEEN THE FRG AND GOB HAS NOT YET BEEN SIGNED.

4. HERMES ACKNOWLEDGED THAT US AND FRG ARE COMPETITORS IN OUR EFFORTS TO SELL NUCLEAR TECHNOLOGY TO BRAZIL. HOWEVER, THERE HAS BEEN VERY CLOSE CONTACT BETWEEN THE US AND THE FRG ON SAFEGUARDS ISSUES. THE FRG WAS PROVIDING THIS CONFIDENTIAL REPORT ABOUT THE FRG-GOB NEGOTIATIONS ON A GOVERNMENT-GOVERNMENT BASIS. FRG DID NOT WISH TO TAKE UNILATERAL ACTION BUT IT COULD NOT WAIT TOO LONG FOR DEVELOPMENT OF A COMMON NUCLEAR EXPORT POLICY. GERMAN INDUSTRY AND BRAZIL WERE VERY INTERESTED IN PROCEEDING PROMPTLY WITH A PROGRAM FOR COOPERATION.

5. BEGIN INFORMAL TRANSLATION OF "NON-PAPER":
IN THE COURSE OF THE NEGOTIATIONS THE BRAZILIAN DELEGATION DECLARED THAT THE FOLLOWING PLEDGES WOULD PROBABLY FORM PART OF AN AGREEMENT:
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- A. A GENERAL STATEMENT OF SUPPORT FOR THE NON-PROLIFERATION OF NUCLEAR WEAPONS;
- B. THE SUBMISSION OF ALL NUCLEAR EQUIPMENT, FACILITIES AND MATERIALS SUPPLIED BY US (I.E. THE FRG), INCLUDING TECHNOLOGICAL "KNOW-HOW", TO IAEA SAFEGUARDS MEASURES;
- C. THE PROMISE TO USE THE NUCLEAR EQUIPMENT, FACILITIES AND MATERIALS SUPPLIED BY US (FRG),

AS WELL AS THE RELEVANT TECHNOLOGICAL
INFORMATION, NEITHER FOR PRODUCTION OF NUCLEAR
WEAPONS NOR OF OTHER NUCLEAR EXPLOSIVES;
D. TO RE-EXPORT THE EQUIPMENT, FACILITIES AND

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USMISSION IAEA VIENNA

C O N F I D E N T I A L SECTION 02 OF 02 BONN 02897

MATERIALS SUPPLIED BY US (FRG) ONLY IF THE
RECIPIENT HAS ALSO CONCLUDED AN AGREEMENT
FOR SAFEGUARDS MEASURES WITH THE IAEA;
E. IN ADDITION, TO UNDERTAKE THE RE-EXPORT OF SO-
CALLED "SENSITIVE" EQUIPMENT, FACILITIES AND
MATERIALS AS WELL AS THE RELEVANT TECHNOLOGICAL
INFORMATION ONLY IF THE FRG AGREES THERETO;
F. TO TAKE THE NECESSARY MEASURES FOR THE PHYSICAL
SECURITY OF ALL NUCLEAR MATERIALS, EQUIPMENT AND
FACILITIES AND TO COME TO AN UNDERSTANDING WITH
US (FRG) ABOUT THESE MEASURES;
G. TO APPLY THE AGREED SAFEGUARDS AND PHYSICAL
SECURITY MEASURES FOR AN UNLIMITED PERIOD EVEN
BEYOND THE DURATION OF THE AGREEMENT (WHICH, IN
ANY CASE, FIRST BECOMES SUBJECT TO CANCELLATION
AFTER 15 YEARS).

ACCORDING TO THE ABOVE, BRAZIL WOULD ACCEPT SAFEGUARDS
OBLIGATIONS AND RESTRICTIONS ON RE-EXPORT WHICH EXCEED
THOSE OF ARTICLE III OF THE NPT. HOWEVER, WE (FRG)
WERE NOT SUCCESSFUL IN ACHIEVING IN THE TEXT OF THE
AGREEMENT A GENERAL BRAZILIAN RENUNCIATION OF PEACEFUL
NUCLEAR EXPLOSIONS AS WELL AND SUBMISSION OF THE
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ENTIRE BRAZILIAN NUCLEAR FUEL CYCLE TO IAEA
SAFEGUARDS MEASURES.

SINCE AN UNDERSTANDING AMONG THE MOST IMPORTANT
SUPPLIER NATIONS HAS NOT YET BEEN ACHIEVED, IT IS
OUR IMPRESSION THAT IT WILL NOT BE POSSIBLE TO OBTAIN
FURTHER CONCESSIONS FROM THE BRAZILIANS.
END INFORMAL TRANSLATION
HILLENBRAND

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